

January 29, 1951.  
Tax Revision.

House File 243  
By MILLER of Black Hawk, BROOKINGS.

Passed House, Date .....  
Vote: Ayes..... Nays.....  
Passed Senate, Date.....  
Vote: Ayes..... Nays.....  
Approved .....

A BILL FOR

An Act to amend chapter four hundred twenty-nine (429),  
Code 1950, relating to taxation of moneys and credits.

*Be It Enacted by the General Assembly of the State of Iowa:*

- 1 Section 1. Chapter four hundred twenty-nine (429),
- 2 Code 1950, is hereby amended by adding thereto the following
- 3 new section :
- 4 “In addition to the deductions allowed in section
- 5 429.4, any person, firm or corporation, making up the amount
- 6 of moneys and credits to be assessed for tax purposes, shall
- 7 be entitled to deduct all cash money, in excess of five
- 8 thousand dollars, set aside in good faith for the purpose of
- 9 paying either state or federal income taxes.”

EXPLANTION OF H. F. 243

Under the present law there is a \$5,000 deduction on moneys and credits that must be listed. However, this deduction does not take into account the fact that many times persons, firms, or corporations are compelled to list cash money, in excess of \$5,000, that they have laid aside for the purpose of paying either state or federal income taxes. To require them to list the cash money, in excess of the \$5,000, aside to pay their income taxes would amount to double taxation.  
This bill is intended to remedy this possible double taxation.